FDI in insurance sector

1763. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to review Foreign Direct Investment restriction in insurance sector;

(b) if so, the details thereof;

(c) the details of the companies registered under IRDA (Insurance Regulatory Development Authority) Act for starting insurance business; and

(d) the Foreign Direct Investment involved in the business?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) No, Sir.

(c) IRDA has informed that 7 life insurance companies and 5 general insurance companies have been granted registration to commence insurance business in India.

(d) Foreign Direct Investment as paid up capital in 11 Indian insurance companies is Rs. 359.15 crores.

Rise in drug abuse in the country

1764. SHRI R.S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to the annual report of International Narcotics Control Board drug abuse in the country is on the rise;

(b) if so, the details thereof;

(c) whether Government propose to examine the measures taken to curb the drug abuse; and

(d) the other steps mooted in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) The International Narcotics Control Board's Annual Report of 1999 has indicated a rising trend of drug abuse in the border States of the country and in a few metropolitan cities. However, it has appreciated the multidimensional and multi-disciplinary approach adopted by the country for reducing illicit drug demand through

launching awareness raising and education programmes on the effects of drug abuse, training officials involved in drug abuse prevention and conveying out community based activities aimed at identifying, motivating, treating and rehabilitating drug addicts through the Non-Government Organisations (NGOs). Government is continuing with its programme of supporting NGOs through appropriate intervention for containing the abuse of drugs in the country. Government is implementing the scheme for Prevention for Alcoholism and Substance (Drugs) Abuse wherein grant-in-aid is provided to the NGOs for prevention, counselling, treatment and rehabilitation services.

Amendment in Banking Rules

†1765. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether Banking Regulatory Authority hesitate in offering bank's status to such financial institutions who are not in a position to fulfil all the rules;

(b) if so, whether Government's attention has been drawn to the need of providing banking license to domestic financial institutions keeping in view the interests of consumers;

(c) if so, whether Government propose to amend the provisions of Banking Regulatory Authority; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Reserve Bank of India has identified certain operational and regulatory issues which needs to be addressed before Development Financial Institutions are transformed into universal banks. In this regard, a letter was sent to the chief executives of Financial Institutions (FIs) by RBI. The salient operational and regulatory issues to be addressed by the FIs for conversion into a universal bank are given in the statement.

†Original notice of the question was received in Hindi.